



*Final
Report*

County of San Diego, California

Auditor and Controller

Firestorm 2007 Expenditures Submitted for FEMA/OES Reimbursement Validation Audit – Purchasing and Contracting

Office of Audits & Advisory Services

March 2009
Report No. A09-033



COUNTY OF SAN DIEGO

INTER-DEPARTMENTAL CORRESPONDENCE

March 4, 2009

TO: Winston F. McColl, Director
Purchasing and Contracting

FROM: Kenneth J. Mory
Chief of Audits

FINAL REPORT: FIRESTORM 2007 EXPENDITURES SUBMITTED FOR FEMA/OES
REIMBURSEMENT VALIDATION AUDIT – DEPARTMENT OF PURCHASING AND
CONTRACTING.

Enclosed is our report on the Firestorm 2007 Expenditures Submitted for FEMA/OES
Reimbursement Validation Audit – Department of Purchasing and Contracting. In our opinion,
the Department of Purchasing and Contracting has sufficient and appropriate documentation
supporting the amounts claimed on the FEMA Project Worksheet.

As there are no material findings in the report, no audit response is required.

Thank you for the courteousness and cooperation extended to the Office of Audits & Advisory
Services during the course of the audit.

If you have any immediate concerns about the report, please contact me at (858) 495-5662.


KENNETH J. MORY
Chief of Audits

AUD:GXB:aps

Enclosure

c: Mikel D. Haas, Deputy Chief Administrative Officer, Community Services Group
Donald F. Steuer, Chief Financial Officer
Tracy M. Sandoval, Assistant Chief Financial Officer/Auditor and Controller
Kaye Hobson, Group Finance Director, Community Services Group

INTRODUCTION AND BACKGROUND

Starting on October 21, 2007, seven wildfires burned through the County of San Diego. These fires resulted in over 369,000 acres burned, or 13% of the County's total land mass. Extensive damage was caused to 1,751 homes, 800 outbuildings, 253 structures, 239 vehicles, and two commercial properties.

As declared by the Federal Emergency Management Agency (FEMA), Firestorm 2007's official incident period began October 21, 2007. It was officially closed as of March 31, 2008.

Beginning on October 21, 2007, various departments in San Diego County mobilized employees to assist in multiple disaster-related activities. County departments worked to procure and disseminate materials and to provide disaster assistance to County citizens with personal, property, and/or livestock issues, as well as to provide fire-fighting efforts and other services toward the safety and well-being of displaced and affiliated County residents.

The Director, Office of Emergency Services (OES), has been leading the overall County operational efforts while the Group Finance Director, Public Safety Group, has led the Finance team.

The Chief Financial Officer (CFO) requested that the Office of Audits & Advisory Services (OAAS) conduct an audit of the Purchasing & Contracting's (P&C) Firestorm 2007 related expenditures amounts claimed for reimbursement to:

- 1) Prevent any material disallowance by the Office of Inspector General (OIG) of amounts claimed; and
- 2) Provide reasonable assurance to the CFO and County management that the claims and reimbursements are adequately supported.

P&C submitted a claim of \$6,375 for labor costs resulting from the October 2007 wildfires (Firestorm 2007). P&C incurred these costs when employees assisted other County departments in the procurements of necessary supplies and materials to use at shelters and the Emergency Operational Center. Based on their review of supporting records for this claim, FEMA project officers determined that \$6,375 incurred for overtime labor was eligible for reimbursement under the Robert T. Stafford Act and submitted a project worksheet (PW) for these costs. The FEMA project officer assigned DPC104 as the tracking number to this PW.

AUDIT SCOPE AND LIMITATIONS

The objective of the audit was to ensure that the department has gathered, organized, titled, and referenced documentation supporting cost claims on FEMA PWs and State Damage Survey Reports (DSRs), and that all the supporting documentation will be maintained in a manner that the OIG and other reviewers can easily follow.

The information reviewed and submitted for reimbursement was based on expenditures as reported by P&C. FEMA/OES project officers assigned to P&C made the final eligibility

determination. OAAS did not make eligibility determinations of the expenditures submitted to FEMA/OES for reimbursement.

This audit was conducted in accordance with auditing standards prescribed by the Institute of Internal Auditors, Inc., as required by California Government Code, Section 1236.

METHODOLOGY

OAAS reviewed the supporting documentation for the P&C costs submitted to FEMA for reimbursement by:

- Sampling the labor costs of certain employees;
- Comparing the amount reported on the PW to the amount provided in supporting documentation to ensure that the total amounts were reconciled and required documentation was provided;
- Recalculating the total amount claimed to ensure that the amount calculated from the supporting documentation agreed with the total amount listed on the PW;
- Verifying employee overtime eligibility based on job code to ensure that the employees were not compensated overtime if they were not eligible; and
- Reviewing payroll records to ensure the overtime hours incurred and rates applied were reconciled with those claimed on the PW, and to determine if overtime and related benefits were correctly calculated and properly supported.

AUDIT RESULTS

OAAS' review of supporting documentation confirmed that the reported labor costs were properly substantiated.

However, while verifying a sample of overtime calculations and reconciling the supporting records with the amount claimed on the PW, we identified that fringe benefits were calculated using inaccurate rates. This understated labor cost by \$18.

RECOMMENDATIONS

OAAS believes that the understatement noted above is immaterial and recommends it be addressed in the FEMA true up process.

As a result, P&C is cleared by OAAS to request reimbursement for eligible expenditures from the Firestorm 2007 Trust Fund for the following project worksheet DPC104 for the amount of \$6,375.

The department should maintain all original supporting documentation for the FEMA claims and keep them separate from other documentation.

COMMENDATION

The Office of Audits & Advisory Services commends and sincerely appreciates the courtesousness and cooperation extended by the P&C officers and staff throughout this audit.

AUDIT TEAM

Jim Pelletier, Senior Audit Manager
Geena Balistrieri, Auditor I